

PROPOSED ZONING TEXT AMENDMENTS TO CHAPTER 10, ARTICLE 1(ZONING ORDINANCE) SECTIONS 10-1.2750 RELATED TO ALCOHOLIC BEVERAGE OUTLETS AND RELATED REGULATIONS

FINDINGS FOR APPROVAL

Zoning Text Amendments

Pursuant to HMC Section 10-1.3425(b), all recommendations for approval of Zoning Text Amendments shall be based upon the following findings:

1. Substantial proof exists that the proposed change will promote the public health, safety, convenience, and general welfare of the residents of Hayward;

The proposed Text Amendments will promote the public health, safety, convenience and general welfare of Hayward residents by potentially attracting more full-service restaurants to the City through the relaxing of certain standards that restaurant owners who offer alcoholic beverage service must abide by, by affording greater flexibility in the types of restaurant establishments that are allowed to sell alcoholic beverages, and by ensuring that all establishments that are permitted to sell alcohol for on-site consumption offer information for patrons on ways to get home safely in the event that they drink too much. Furthermore, these amendments will assist existing restaurants and entice new restaurants to locate in the City in order to add to the vitality of the downtown area and other commercial districts and provide a greater offering of choices for residents and workers looking to dine out.

2. The proposed change is in conformance with all applicable, officially adopted policies and plans;

The proposed Text Amendments are consistent with the goals and policies set forth in the *Hayward 2040 General Plan* in that they are designed to help increase business for the City's many existing full-service restaurants and also entice new restaurants to locate in the City. The General Plan contains numerous goals and policies aimed at providing a robust economy that offers a wide variety of goods and services, establishing a lively downtown district that features an array of shopping, restaurant and entertainment options, and attracting and retaining local businesses of all sizes and types. Specifically, the proposed amendments are consistent with the following goals and policies set forth in the *Hayward 2040 General Plan*:

Land Use Policy LU-2.1 – Downtown Arts and Entertainment: The City shall encourage private-sector investment in Downtown to transform it into a safe, vibrant, and prosperous arts and entertainment district that offers enhanced shopping, dining, recreational, and cultural experiences and events for residents, families, college students, and visitors.

Land Use Policy LU-2.16 – Uses to Attract the Creative Class: The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward, including restaurants and cafes; art studios and galleries; and entertainment and cultural venues.

Land Use Policy LU-5.1 – Mix of Uses and Activities: The City shall encourage a mix of retail, service, dining, recreation, entertainment, and cultural uses and activities in regional and community centers to meet a range of neighborhood and citywide needs.

Economic Development Goal ED-1: Diversify the economic base of Hayward to support a robust and stable economy with a diverse range of employment, shopping, and cultural opportunities for local residents.

Economic Development Policy ED-1.14 – Hospitality and Entertainment Business Clusters: The City shall encourage the development of a hospitality and entertainment business cluster within Downtown Hayward and other appropriate locations to improve opportunities for shopping, dining, arts and entertainment, lodging, business conventions, and cultural events.

Economic Development Goal ED-3: Grow the local economy and employment base by supporting efforts to expand and retain local businesses.

Economic Development Goal ED-5: Encourage economic investment by enhancing the image and reputation of Hayward.

Additionally, the proposed Amendments are consistent with Council’s Strategic Roadmap projects and the recently adopted *Downtown Specific Plan* (DSP), which contains a goal to establish the downtown area as the heart of the City and create a lively, safe and attractive regional destination for people of all ages that features a mix of land uses, including ground-floor retail shops, restaurants, cafes, business offices and bars/nightclubs, and residential uses on upper floors of mixed-use buildings.

3. Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified; and

This finding is not applicable as the proposed Amendments will not rezone or reclassify any properties in the City of Hayward. Additionally, staff does not anticipate that the proposed amendments will generate a significant increase in traffic volumes throughout the City or result in an undue strain on public facilities.

4. All uses permitted when property is reclassified will be compatible with present and potential future uses, and, further, a beneficial effect will be achieved which is not obtainable under existing regulations.

The proposed Amendments will result in a beneficial effect on existing and future restaurants in that they are designed to help introduce flexibility and encourage a variety of new types of restaurants to open in the City. Increasing business at restaurants will support Hayward’s small business community, while attracting new restaurants which will benefit the community at large by offering a wider variety of local choices to patronize when dining out. Finally, requiring establishments that can sell alcohol for on-site consumption to provide information for patrons on safe alternatives for getting home will clearly provide a beneficial effect for the general

public by helping reduce the likelihood of persons driving while intoxicated after patronizing such establishments.

California Environmental Quality Act

The proposed Zoning Text Amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3), as an activity that is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed amendments would relax the required ratio of food-to-alcohol sales at full-service restaurants from 60:40 to 50:50, change the definition of “full-service restaurant” to include arrangements wherein separate entities own the food service and alcohol beverage service components of the establishment and allow kitchens to be built in freestanding structures that comply with all applicable development standards of the underlying zoning, modify the hours when such restaurants can offer “happy hour” discount pricing, and require information to be made available to patrons on safe alternatives for getting home as a performance standard for new and deemed-approved alcoholic beverage sales establishments where on-site alcohol consumption is permitted.